



Cross Border Consumer Redress Research
Stage One: Phase One
INTERIM REPORT

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Prepared by YouGov
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Phase One Fieldwork: 23/08/05 to 31/08/05

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Phase One: Background and Methodology

This interim report covers the first phase of Stage One of the DTI cross-border redress research project; with fieldwork carried out by YouGov between 23rd and 31st August 2005.

The methodology used for this phase followed YouGov's Omnibus survey format which involved running some general questions on international consumer redress to a nationally representative minimum sample of n=4,000 respondents. In addition, a minimum of n=300 Northern Ireland respondents were contacted in order to make the results representative of the United Kingdom as a whole (traditional YouGov Omnibus surveys cover GB only).

The primary objective of phase one was to provide a clear overview of international consumer redress levels. This research aimed to:

- Identify the number of UK consumers who have been in a position to seek, and have obtained redress, from international suppliers in the last 12 months;
- Identify the types of goods and services that UK consumers typically have opportunity to seek cross border redress for;
- To identify the countries in which UK consumers purchase goods and services and subsequently have need to claim cross border redress for;
- To identify how the goods and services which UK consumers have opportunity to seek international redress on are made (in country, internet, telephone, mail order etc.);
- To identify the number of UK consumers who decide not to pursue legitimate claims and the reasons for this;
- To identify the monetary value of the product or service bought when UK consumers have opportunity to seek international redress;
- To identify the common actions taken when seeking international redress and the outcome of these actions;
- To understand how satisfied consumers are with the outcome of the actions they take;
- To understand whether the consumer experience has any effect on future cross-border purchases.

In total, 4,953 UK respondents completed the Omnibus survey and the data was weighted to be representative of the UK population.

Phase One: Survey Summary

The following summary provides an overview of cross-border consumer redress experience across the United Kingdom. This chapter is designed to highlight the headlines of the Phase One survey.

Opportunities to seek international redress

13 percent of all respondents **had** been in a position to seek international redress from one or more non-UK traders/ suppliers in the last 12 months.

Of these, **70%** of respondents had the opportunity to seek international redress on one occasion and **16%** had the opportunity on two occasions.

Type of non-UK trader or supplier

The entertainment products (including DVD's, CD's, videos, tapes, books etc.) category had the highest percentage of cross border consumer redress opportunities, as **28%** of respondents have been in a position to seek international redress after purchasing this type of product in last 12 months.

The next two highest percentages of international consumer redress opportunities were in the personal clothing (including shoes and jewellery) and small electrical goods (including DVD players, portable music systems, accessories etc.) categories; **13%** of respondents had the opportunity to seek international redress for each of these categories.

Country of origin of non-UK trader or supplier

38% of respondents have had the opportunity to seek cross border redress from a USA trader/ supplier in the last 12 months; this was the highest incidence of cases across all of the countries assessed. However, as there is no data to understand the total number of products or supplies purchased from this country, this result is most likely to be due to the fact that more purchases are made from the USA in general.

Traders/ Suppliers in China (including Hong Kong) and Spain have the next highest incidence of purchases which result in an international redress opportunity with **9%** and **8%** of respondents respectively recording that they had been in a position to seek cross border redress following purchases from these countries.

Method of purchase

70% of respondents had the opportunity to seek cross border redress following delivery/ receipt of a purchase they made over the internet. **19%** attempted to seek international redress following a purchase made in person whilst in the non-UK country.

Status of the case

When asked about their most recent opportunity to seek cross border redress, **11%** of respondents said that the case was still on going and **64%** recorded that the case was resolved.

However, **13%** recorded that the case was closed despite not being resolved and **11%** of respondents said that they did not seek international redress during this most recent opportunity.

Outcome of the case

Of those cases where cross border redress was sought, **75%** recorded that they had received a satisfactory outcome (**53%** received a partial or full refund and **18%** received a satisfactory replacement). However, **13%** did not receive a satisfactory outcome (**7%** gave up after a while, **4%** received nothing at all in terms of compensation and **2%** had their claim rejected).

Future purchasing effects

17% of all respondents who have had the opportunity to seek cross border redress would '*definitely*' be less likely to make another purchase from a non-UK trader/ supplier in the future and a total of **42%** would be deterred at least slightly. However, **53%** recorded their experience would make not effect future purchases at all.

Conclusion

The opportunity to seek international redress is currently at moderately low levels across the UK with approximately one in ten people having been in the position to seek redress from an international trader/ supplier in the last 12 months.

Reassuringly, the vast majority of these consumers **do** go on to take action, which illustrates that consumers are prepared to dispute and challenge any unacceptable products and/or services they receive. And, three-quarters of those who have sought international redress in the most recent case **did** receive a satisfactory outcome.

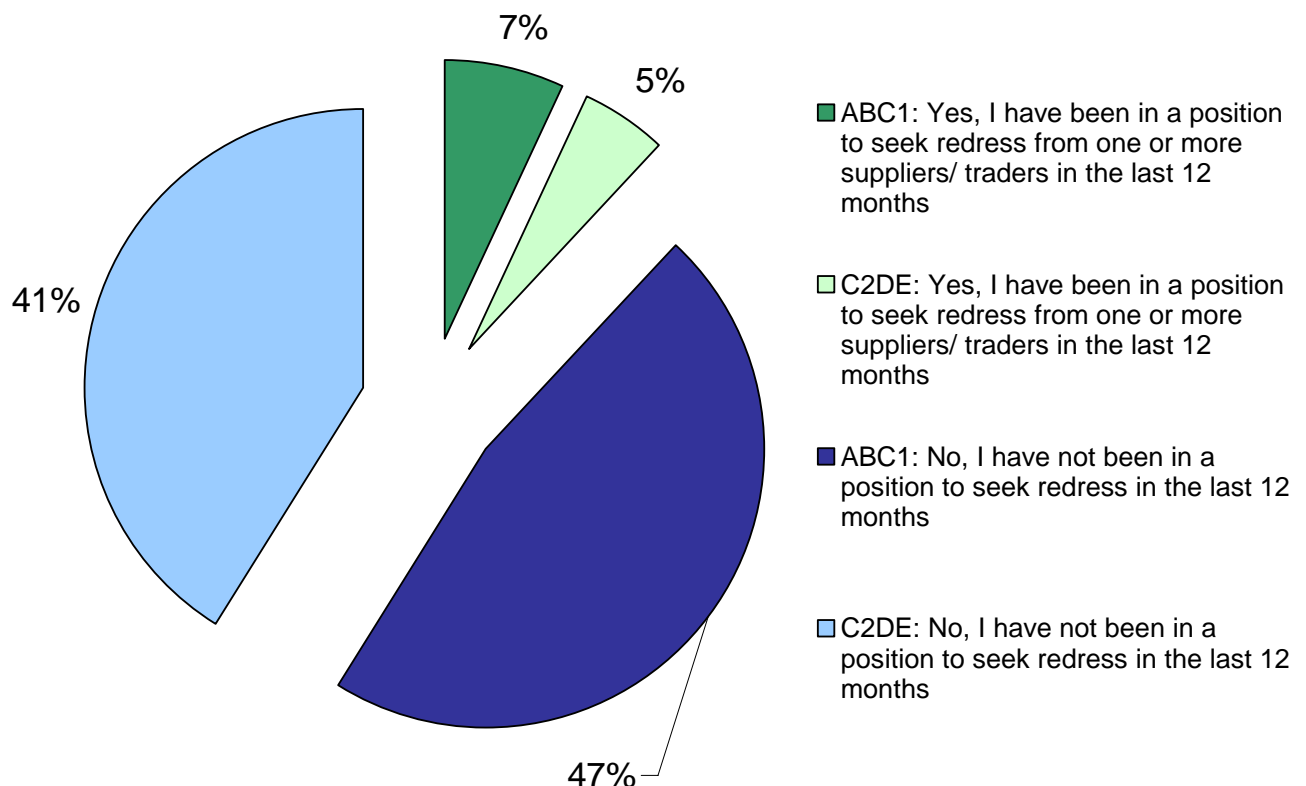
Overall, the trends illustrated within the realm of international redress experience seem to provide as much of an overview of international purchasing behaviour than they do of international redress. Most notably, the rise of the internet has meant that the method of purchase for international products is evolving and this is reflected in UK international redress experience. Almost three-quarters of cross border redress opportunities have arisen following a purchase made over the World Wide Web. [However, please note that this was an internet poll which means that all respondents are regular on-line users and therefore the incidence of on-line purchases is likely to be higher across these types of respondents].

Phase One: Detailed Survey Findings

This chapter provides a little more detail of the Phase One survey in terms of how the results compared across the main demographic groups of gender, age, Social Economic Group (SEG) and UK region.

Opportunities to seek cross border redress

13 percent of all respondents (668 in total) have been in a position to seek cross border redress from one or more non-UK traders/ suppliers in the last 12 months; with men (16%) recording that they had experienced more international redress opportunities than women (11%). Those respondents in the ABC1 social grade had slightly more experience of being in the position to seek cross border redress than those in the C2DE social grade (13% versus 10% respectively).



NB: Some percentages have been rounded up/down

Northern Ireland respondents showed a much higher incidence of cross border redress opportunities with 32% confirming that they were in a position to seek international redress compared with just 12% in Great Britain; there were a higher incidence of purchases made from China, Spain and the Republic of Ireland across Northern Ireland respondents. Within Great Britain, London respondents were more likely to have been in a position to seek cross border redress (16%) compared to the GB national average.

70% of respondents had the opportunity to seek international redress on one occasion and 16% had the opportunity on two occasions. 58% of respondent went on and actually took action on one occasion and 13% took action on two occasions.

Type of non-UK trader or supplier

Entertainment products (including DVD's, CD's, videos, tapes, books etc.), personal clothing (including shoes and jewellery) and small electrical goods (including DVD players, portable music systems, accessories etc.) were the three most mentioned types of good or service across all demographic groups. The only minor variant was in the over 50's age group which also named accommodation providers (9%) as a popular supplier of purchases from which an international redress opportunity arose.

More men (29%) than women (25%) have been in a position to seek cross border redress from an entertainment provider. In addition, the younger the respondent, the more likely they are to be in a position to seek international redress from an entertainment provider; 18 to 29 years old (37%), 30 to 50 (31%), Over 50 (18%).

Similarly, more women (15%) than men (11%) have been in a position to seek cross border redress from a personal clothing provider. Again, the younger the respondent the more likely they are to be in a position to seek international redress; 18 to 29 years old (22%), 30 to 50 (11%), Over 50 (9%).

Country of origin of non-UK trader or supplier

Men (40%) were more likely to be in a position to seek international redress from a US trader/ supplier (versus 23% for women) whereas females recorded higher international redress opportunities in China (11% versus 8%) and Spain (10% versus 7%).

In Northern Ireland, 9% of respondents had been in a position to seek cross border redress from a Republic of Ireland supplier compared with only 1% in Great Britain. However, this incidence most likely indicates that the total number of cross-border purchases made between Northern Ireland and the Republic of Ireland is higher than between Great Britain and the Republic of Ireland.

Method of purchase

The internet was the most popular method of purchase from which a cross border redress experience arose for respondents across all demographic groups and it was slightly higher for men (72%) compared to women (68%). 75% of Northern Ireland respondents were in a position to seek international redress following an internet purchase compared with 71% on average in Great Britain.

Women have had more cross border redress experiences following the purchase of something bought in person (24% versus 16%). Similarly, 18 to 29 year olds (18%) have

more often been in a position to seek cross border redress after making a purchase over the telephone than those in other age groups (30 to 50 – 10% and Over 50 – 11%).

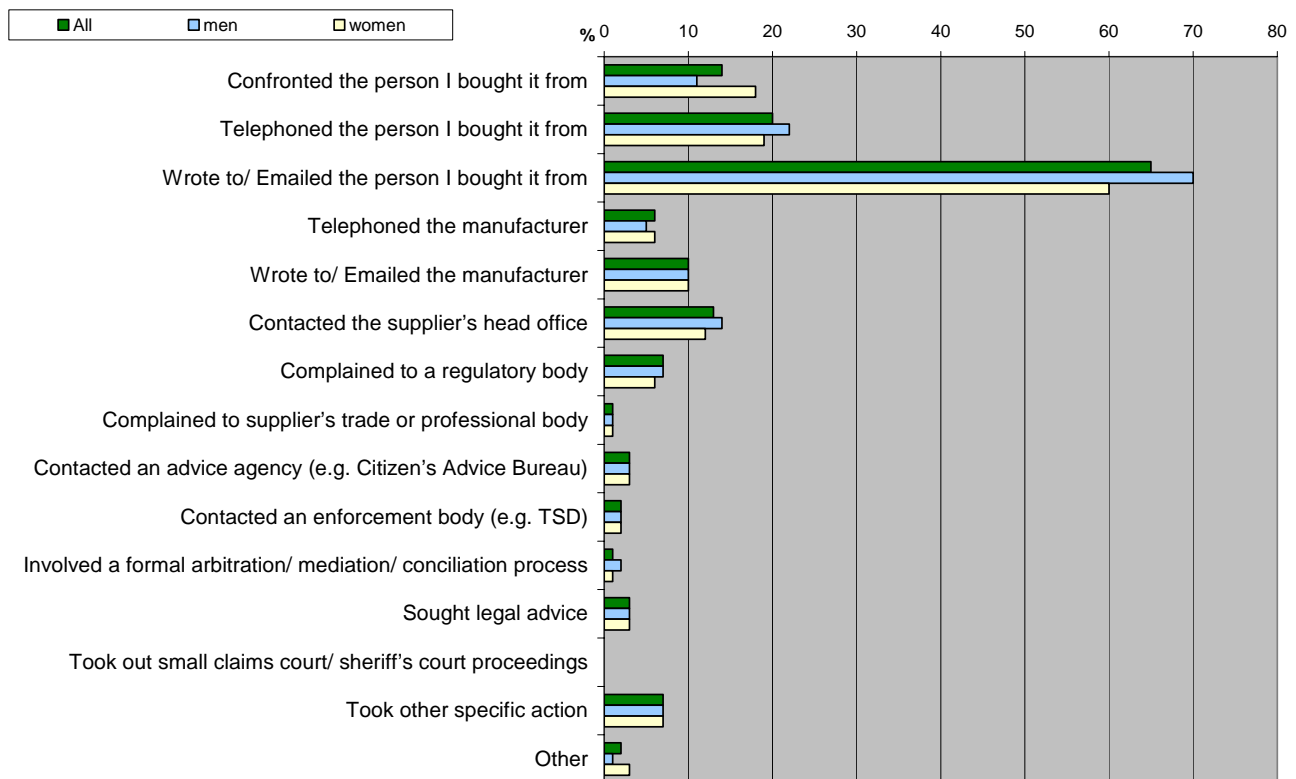
Status of the case

Looking specifically at the percentages that did NOT seek international redress in the most recent case; 12% were men and 10% were women, and 10% were in the ABC1 social grade and 14% were in the C2DE social grade. Most notably, only 6% of the over 50's did not seek cross border redress in the most recent case which suggests the older generation are more inclined to take actions to seek international redress than those in the younger age ranges.

Those seeking cross border redress

There were 590 respondents in total who sought cross border redress in the most recent case (12% of all respondents). Of these 26% paid between £1 and £25 for their purchase, 23% paid between £26 and £50 for their purchase and 12% paid between £51 and £75 for their purchase. Only 7% of international redress cases were based on products that were over £500 in value.

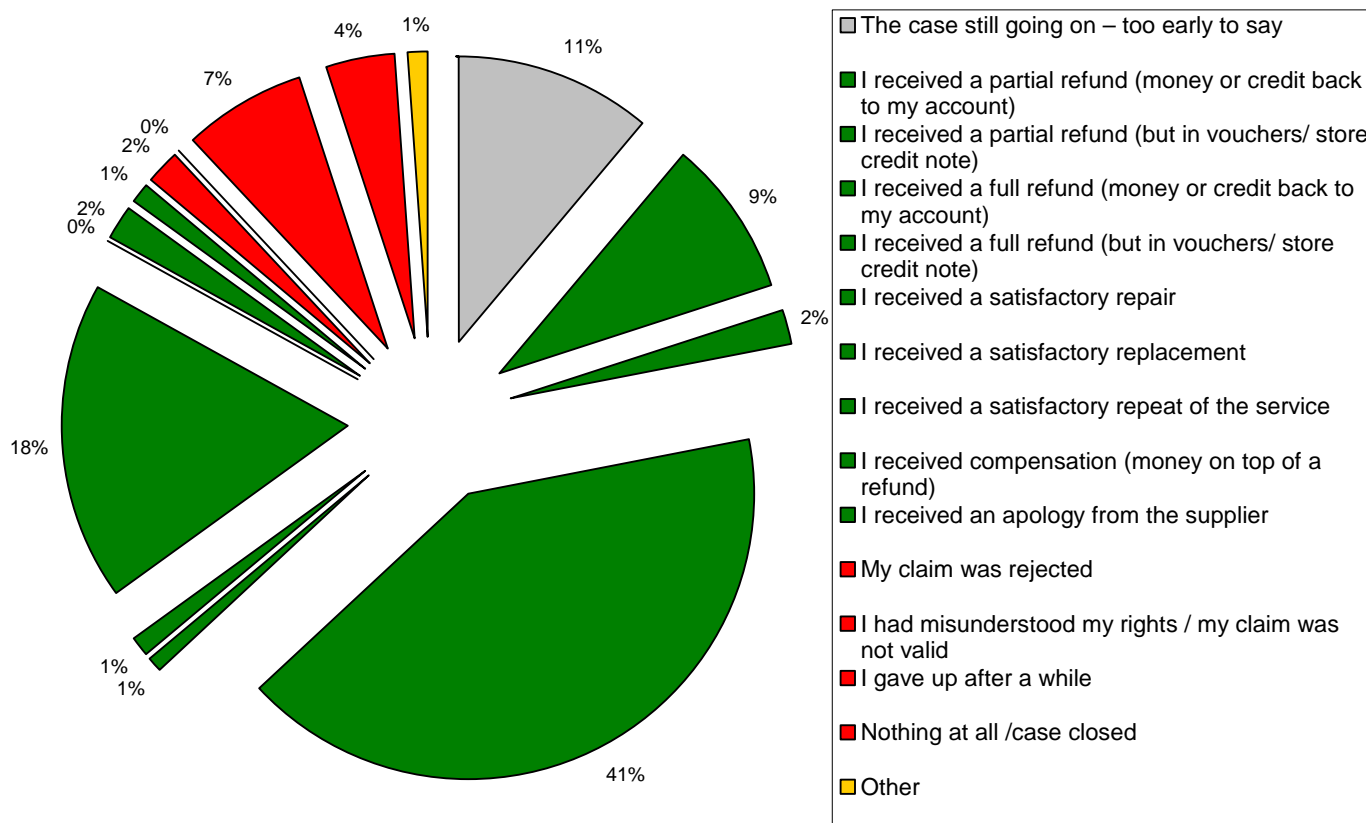
The following graph illustrates the different actions taken by those who sought cross-border redress (in total and split by male and female respondents):



The most common action when seeking cross border redress is to email or write to the person from whom the purchase was made as 65% of all respondents did this. The next most popular actions were to telephone the person from whom the purchase was made (20%) or confront them in person (14%). 13% of respondents contacted the supplier's head office and 10% emailed or wrote to the manufacturer directly. Only 7% of respondents complained to a regulatory body and 3% sought legal advice.

International redress outcomes and satisfaction

[NB: Please read results from top of list in a clockwise direction round the pie chart]



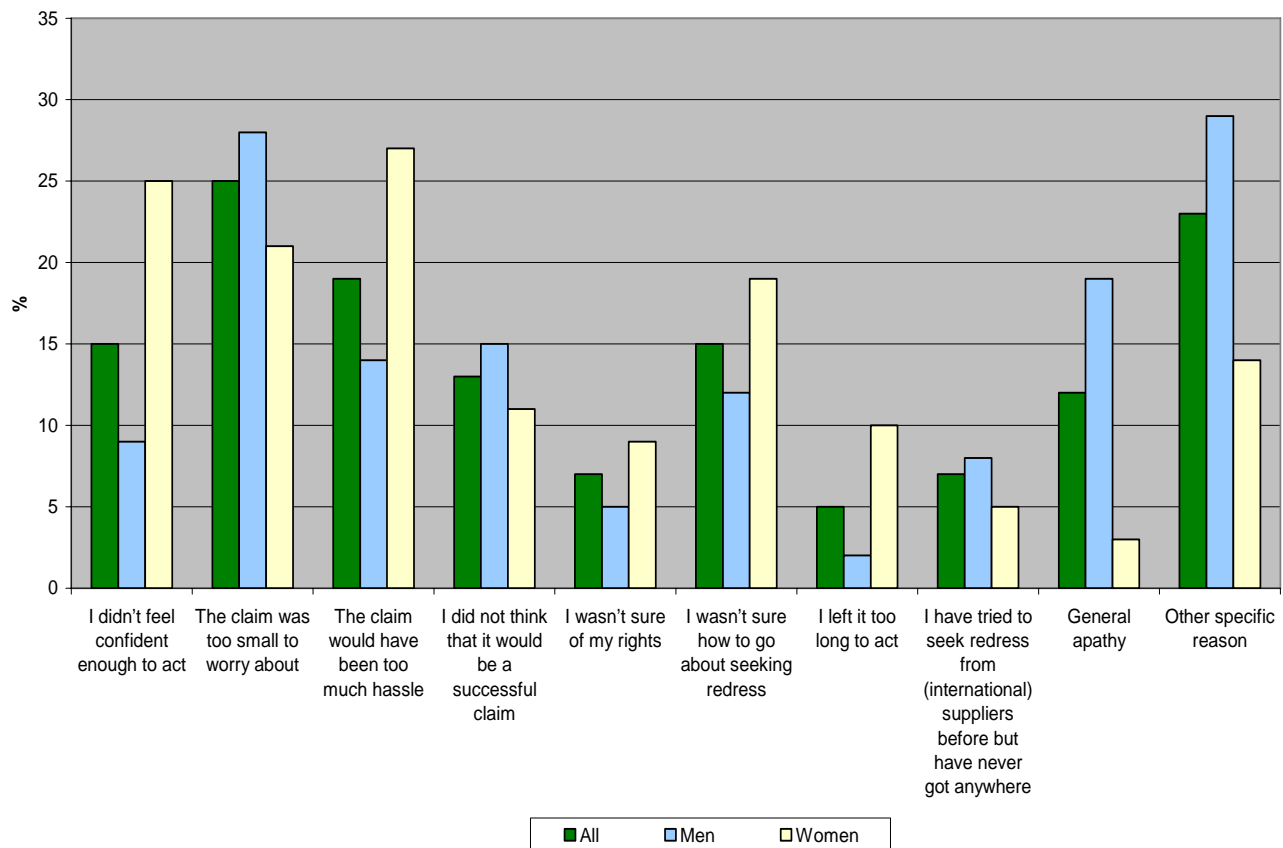
Following their complaint, 41% of respondents received a full cash refund, which made this outcome the most common across all cross border redress procedures. 18% received a satisfactory replacement and 9% received a partial cash refund. However, 4% of respondents did not receive anything at all, 2% had their claim rejected and 7% of respondents gave up during the international redress process. 11% recorded that the case was still going on and that it was too early to comment on the outcome of their actions.

Of those who sought cross border redress and received a final outcome (525 respondents in total), 81% recorded that they were **satisfied** with the result. 51% of women, compared with 47% of men, said that they were ‘extremely’ satisfied with the outcome. In addition, 72% of respondents said that it was **easy** to reach the final outcome. However, 14% of the over 50 age group described reaching the final outcome as ‘extremely’ difficult.

Those not seeking cross border redress

There were only 78 respondents in total who chose NOT to seek cross border redress in the most recent case (1.5% of all respondents). Compared to the respondents who did seek international redress, the value of the purchases were lower within this group; 29% of respondents paid between £1 and £25 for their purchase, 18% paid between £26 and £50 for their purchase and 9% paid between £51 and £75 for their purchase. Only 4% of cross border redress cases were based on products that were over £500 in value.

The following graph illustrates those respondents that chose NOT to pursue cross-border redress on the most recent occasion (in total and split by male and female respondents):



The reasons why respondents did not seek cross border redress varied between men and women. Overall, the most popular reasons for not seeking cross border redress was that the claim was too small to worry about (25%). This was also the most mentioned reason for male respondents (28%) along with general apathy (19%) and that they did not think that it would be a successful claim (15%).

Female respondents recorded that that making that the claim would have been too much hassle (27%) and that they did not feel confident enough to act (25%) as the top two reasons for not seeking international redress; followed by that the claim was too small to worry about (21%) and that they were not sure how to go about seeking international redress (19%).

Future purchasing effects

81% of respondents who have been in a position to seek cross border redress in the past 12 months recorded that they would be **likely** to take the same course of action again as they did on the most recent occasion. Not surprisingly, only 41% of those respondents who recorded that the argument/ case was closed and not resolved recorded that they would be likely to follow the same course of action again compared with 97% who recorded that the argument/ case was closed and resolved

Finally, 42% of respondents said that their experience of seeking or being in a position to seek cross border redress has in some way made them **less likely** to make another purchase from a non-UK trader or supplier in the future. Again, not surprisingly, 68% of those respondents who recorded that the argument/ case was closed and not resolved recorded that they were less likely to make another purchase compared with 33% who recorded that the argument/case was closed and resolved. Also, 24% of the over 50's age group said that the experience has 'definitely' made them less likely to make international purchases compared with 14% of 18 to 29 year olds and 13% of 30 to 50 year olds. Fewer women (50%) than men (56%) said that experience has not affected future purchases at all.

Appendix A: Interpretation of Survey Findings

Samples

Phase One of the research is based on a nationally representative sample of 4,953 respondents.

Sub-Samples

The research used routing so that questions were asked only of appropriate groups. Routing can take place based on a single or multiple variables. Close attention must be paid to the base for each question – these are clearly marked on the tables of results.

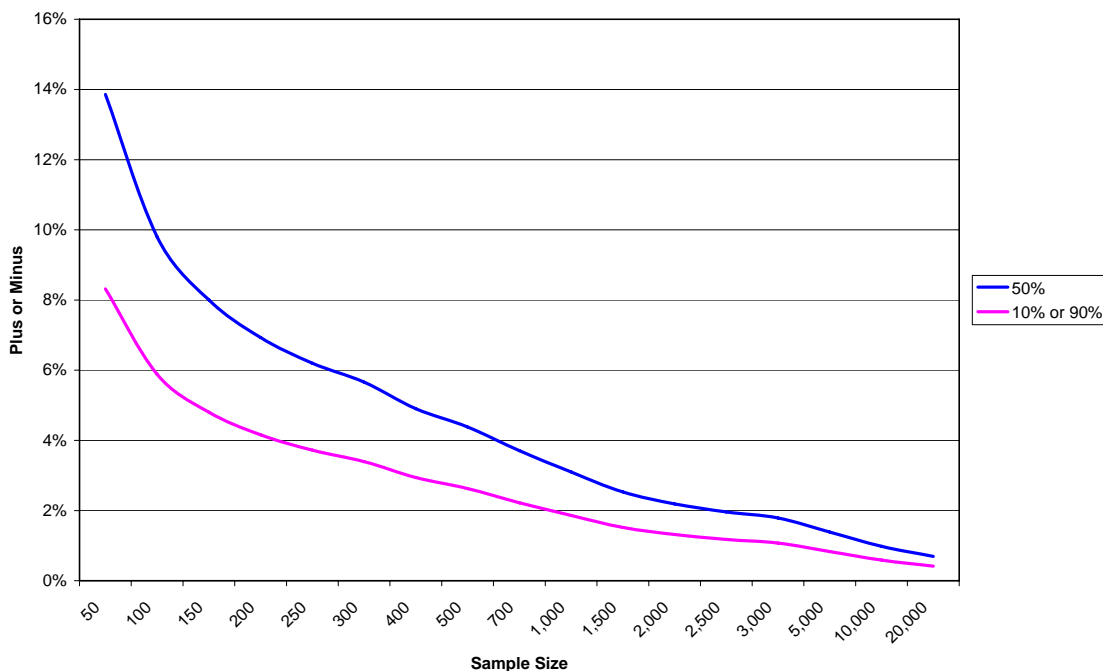
Error Margins

Findings are subject to the normal error margins for sample surveys - these are small for relatively large sample sizes. YouGov provides extensive tabular analysis; this can result in relatively small numbers of respondents in some sub-samples. Some findings may be drawn from small sub-samples for which the margins of error may be high (see statistical reliability below). Therefore, care should be taken when interpreting findings based on answers from a small number of respondents.

Statistical Reliability

The respondents to the questionnaire are only samples of the total “population”, so we cannot be certain that the figures obtained are exactly those we would have if everybody had been interviewed (the “true” values). We can however, predict the variation between the sample results and the “true” values from a knowledge of the size of the samples on which the results are based and the number of times a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95%. The chart below indicates the predicted ranges for different sample sizes and percentage results at the 95% confidence interval.

Margins of Error (95% Confidence)



Appendix B: Phase One Questionnaire

Page 1

Base: ALL

The following questions are about your experiences of getting your money back and/ or seeking compensation or redress when something you've bought has proven to be unsatisfactory.

Specifically, we are looking for examples of INTERNATIONAL compensation claims after you have either made a direct purchase from a NON-UK trader/ supplier or paid for a service from a NON-UK trader/ supplier which has then led to disappointment.

You can now purchase products or services from non-UK companies in a number of simple ways. These include personal visits (e.g. buying gifts from a shop whilst on holiday or business), over the telephone (e.g. ordering clothes from an international supplier), via the internet (e.g. ordering CD's or DVD's from an international supplier) and/or by mail order (e.g. using an international catalogue).

You can also seek redress in a number of different ways, ranging from simply asking for your money back right up to taking the trader/ supplier to court. In addition, you could seek redress immediately upon getting something home or you could complain about something that has developed a fault over time.

It could be that you seek redress over the purchase of a small, low cost item (e.g. a damaged CD) or something much bigger and more expensive (e.g. a damaged piece of furniture). Alternatively, you may attempt to seek redress for an incident that happened (e.g. a waiter spilling hot food on your new suit) or a bad service you received (e.g. timeshare purchase misrepresentation).

Therefore, before moving on to the first question, please spend a moment thinking of any experiences where you have been in a position to seek redress from a NON-UK trader/ supplier in the last 12 months...

Page 2

Base: ALL

In the last 12 months, have you ever been in a position to seek redress from any NON-UK trader/ supplier of goods and services?

Yes, I have been in a position to seek redress from one or more suppliers/ traders in the last 12 months

No, I have not been in a position to seek redress in the last 12 months [[route page=0](#)]

[Please note that you should only count experiences with NON-UK traders/ suppliers – where you made the purchase/ paid for the service directly. For example, if you booked a holiday through a UK travel agent, this does NOT qualify as you would have taken up your complaint with the UK trader/ supplier].

Page 3

Base: All who have sought redress or been in a position to seek redress

Thinking about your experiences over the last 12 months only...

How many times have you had the occasion/ opportunity to seek INTERNATIONAL redress?

Once

Twice

3 times

4 times

5 or more times

Can't remember

And, of these, how many times did you actually take action to seek INTERNATIONAL redress?

None
Once
Twice
3 times
4 times
5 or more times
Can't remember

Page 4

Base: All who have sought redress or been in a position to seek redress

Still thinking about the last 12 months and regardless of whether or not you actually took action...

From which of the following NON-UK countries did the traders/ suppliers originate? [Please tick all that apply] [Multicode] [CLEARLAST]

Argentina
Australia
Austria
Belgium
Brazil
Bulgaria
Canada
China
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
India
Italy
Japan
Korea
Latvia
Lithuania
Luxembourg
Malta
Mexico
New Zealand
Norway

Poland
Portugal
Republic of Ireland
Romania
Russia
Singapore
Slovak Republic
Slovenia
South Africa
Spain
Sweden
Switzerland
The Netherlands
Turkey
UAE
USA
Other
Don't know
Can't remember

Page 5

Base: All who have sought redress or been in a position to seek redress

Which of the following types of NON-UK traders/ suppliers were involved? [Please tick all that apply] [Multicode] [CLEARLAST]

Accommodation providers (booked directly and not via a UK travel provider)
Car hire provider
Car sales trader (new and used)
Car servicing or repair provider
Entertainment products provider (including DVD's, CD's, videos, tapes, books etc.)
Financial services provider (including insurers, banks, credit and loan organisations etc.)
Food retailer or restaurant trader
Home repair or improvement provider (of a home you own outside the UK)
Household furnishings provider (including floor coverings)
Large electrical goods provider (including large white goods, domestic appliances and computers etc.)
Personal clothing provider (including shoes and jewellery)
Road, rail, air or sea travel providers

Small electrical goods provider (including DVD players, portable music systems, accessories etc.)
 Telephone or mobile phone services provider (including internet service providers)
 Timeshare and holiday clubs
 Travel agents
 Other (excluding health services)

Page 6

Base: All who have sought redress or been in a position to seek redress

Which of the following methods of purchase did you use? [Please tick all that apply] [Multicode] [CLEARLAST]

In person (in the non-UK country)
 Telephone
 Internet
 Mail order
 Other
 Can't remember

Page 7

Base: All who have sought redress or been in a position to seek redress

Now thinking specifically about the MOST RECENT time when you were in a position to seek international redress...

Which of the following statements best describes the current situation regarding your MOST RECENT international redress experience?

The argument/ case is still going on
 The argument/ case is now resolved
 The argument/ case is closed, despite not being resolved
 I did not seek redress in this most recent case [[routepage=11](#)]

Page 8

Base: All who have sought redress in the most recent case

Still thinking about this MOST RECENT time...

What was the APPROXIMATE monetary value (in UK£) of the product or service on which you were seeking redress?

No monetary value
 £1 to £25
 £26 to £50
 £51 to £75
 £76 to £100
 £101 to £150
 £151 to £200
 £201 to £250
 £251 to £500
 £501 to £750
 £751 to £1,000
 £1,001 to £2,500
 £2,501 to £5,000
 More than £5,000
 I'd rather not say
 Don't know
 Can't remember

Page 9

Base: All who have sought redress in the most recent case

Again, still thinking about this MOST RECENT time...

Which of the following actions did you take when seeking redress? [Please tick all that apply] [Multicode] [CLEARLAST]

Confronted the person I bought it from
 Telephoned the person I bought it from
 Wrote to the person I bought it from
 Telephoned the manufacturer
 Wrote to the manufacturer
 Contacted the supplier's head office
 Complained to a regulatory body
 Complained to supplier's trade or professional body
 Contacted an advice agency (e.g. Citizen's Advice Bureau)
 Contacted an enforcement body (e.g. TSD)
 Involved a formal arbitration/ mediation/ conciliation process
 Sought legal advice

Took out small claims court/ sheriff's court proceedings
 Took other specific action
 Other

Fairly difficult [route=12]
 Extremely difficult [route=12]

And which of following BEST describes the final outcome of the action/s you took?

The case still going on – too early to say [route=12]
 I received a partial refund (money or credit back to my account)
 I received a partial refund (but in vouchers/ store credit note)
 I received a full refund (money or credit back to my account)
 I received a full refund (but in vouchers/ store credit note)
 I received a satisfactory repair
 I received a satisfactory replacement
 I received a satisfactory repeat of the service
 I received compensation (money on top of a refund)
 I received an apology from the supplier
 My claim was rejected
 I had misunderstood my rights / my claim was not valid
 I gave up after a while
 Nothing at all /case closed
 Other

Page 11
Base: All who have NOT sought redress in the most recent case

Still thinking about this MOST RECENT time...

What was the APPROXIMATE monetary value (in UK£) of the product or service on which you decided not to claim redress?

No monetary value
 £1 to £25
 £26 to £50
 £51 to £75
 £76 to £100
 £101 to £150
 £151 to £200
 £201 to £250
 £251 to £500
 £501 to £750
 £751 to £1,000
 £1,001 to £2,500
 £2,501 to £5,000
 More than £5,000
 I'd rather not say
 Don't know
 Can't remember

Page 10
Base: All who have sought redress in the most recent case and the case has been resolved

Overall, how satisfied were you with the final outcome of the action/s you took?

Extremely satisfied
 Fairly satisfied
 Not very satisfied
 Not at all satisfied

And, with hindsight, how easy was it to reach this final outcome?

Extremely easy [route=12]
 Fairly easy [route=12]

What were your reasons for not taking any action/s at this time? [Please tick all that apply] [Multicode] [CLEARLAST]

I didn't feel confident enough to act
 The claim was too small to worry about
 The claim would have been too much hassle
 I did not think that it would be a successful claim
 I wasn't sure of my rights
 I wasn't sure how to go about seeking redress
 I left it too long to act
 I have tried to seek redress from (international) suppliers before but have never got anywhere
 General apathy
 Other specific reason

Page 12

Base: All who have sought redress or been in a position to seek redress

If the same situation were to arise again in the future, how likely would you be to take the SAME course of action as you did on this MOST RECENT occasion?

- Extremely likely
- Fairly likely
- Not very likely
- Not at all likely
- Not sure

Finally, has your experience of seeking or being in a position to seek international redress in the last 12 months made you LESS likely to make another purchase from a non-UK trader or supplier in the future?

- Yes, definitely
- Yes, maybe
- No, not at all
- Don't know

END
